

**The California Debt and Investment
Advisory Commission**

State Treasurer Phil Angelides, Chair

Presents

**FUNDAMENTALS
OF
DEBT FINANCING**

**September 8-9, 2005
Hilton Concord
Concord, California**

**California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814**

FIRST CLASS

THE FUNDAMENTALS OF DEBT FINANCING

ABOUT THE PROGRAM

The Fundamentals of Debt Financing is a seminar designed for public finance officials and their staff, elected officials, and other non-profit organizations who need to understand public debt issuance and debt management. This one and a half-day seminar covers the issuer's role and responsibility and the responsibilities of other financing team members when issuing bonds. The program also provides important information on the terms and concepts fundamental to an understanding of the planning and sale of public debt. In addition, an overview of initial and continuing disclosure requirements and an understanding of how credit ratings and investor needs are incorporated into an issuer's bond structuring decisions are covered. An introductory session on bond math is included to provide the attendee basic math concepts utilized in the debt issuance process. The seminar is moderated by the California Debt and Investment Advisory Commission (CDIAC) staff and conducted by expert practitioners who are currently involved in public finance in California.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved in the issuance of public debt. Representatives of cities, counties, special districts, school districts, redevelopment agencies, and elected officials are especially encouraged to attend.

THE COMMISSION

CDIAC provides information, education and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, the CDIAC maintains a database of all public debt issued in California, conducts a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical issues.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. *No walk-in registrations will be accepted.* Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. **No refunds will be honored for cancelled registrations after the seminar registration deadline of August 24, 2005. Late registration will be accepted after August 24, 2005, if space is available.**

LODGING

Hotel reservations should be made directly with the Hilton Concord, 1970 Diamond Boulevard, Concord, CA 94521. Call early for reservations at (925) 827-2000. A special room rate of \$84 is available to seminar participants. When making reservations, please request the group rate for the California Debt and Investment Advisory Commission. *Once CDIAC's room block is filled, the hotel will not honor the contracted rate.*

CDIAC complies with the Americans with Disabilities Act (ADA).

FUNDAMENTALS OF DEBT FINANCING

September 8-9, 2005

Hilton Concord

SEMINAR REGISTRATION FORM

To register, please complete this form and return it before the final registration deadline to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of the registration fee must be enclosed.** Registration is limited to public agency officials and their staff. No refunds will be honored after the **registration deadline of August 24, 2005.** Registrations after **August 24, 2005** will be accepted only if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

(Please print or type)

NAME _____ E-MAIL _____

TITLE _____

AGENCY _____

STREET _____

CITY/STATE/ZIP _____

TELEPHONE _____ FAX _____

☐ Check here if you require a vegetarian meal for lunch.

Fundamentals of Debt Financing

Hilton Concord
1970 Diamond Boulevard
Concord, CA 94521

Flat Registration Fee: \$225

Or

Registration Fee (with California Debt Issuance Primer*) : \$250.00

Enclosed is my check for \$ _____

Make check(s) payable to:

California Debt and Investment Advisory Commission

Mail your registration to:

Seminar Programs
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814
Phone: (916) 653-3269 FAX: (916) 654-7440

*The California Debt Issuance Primer is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the Primer provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Primers that are purchased in conjunction with the seminar fee will be mailed after the seminar date.

THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

presents

THE FUNDAMENTALS OF DEBT FINANCING

Agenda

THURSDAY

September 8, 2005

MORNING SESSION

- 8:00 AM **Registration and distribution of seminar materials**
Complimentary rolls and coffee
- 8:30 AM **Introduction and Welcome**
- 8:45 AM **Introduction to Bond Math:** This session will cover bond math concepts essential to understanding the debt issuance process. It will define what a bond is and explain some basic concepts including principal, interest, yields, coupons, price, and the roles of investors and borrowers of bonds.
- Brian Corley, Vice President, JP Morgan*
- 10:15 AM **Break**
- 10:30 AM **Municipal Bond Industry Professionals and Their Roles:**
The moderator will introduce the members of a typical financing team who will discuss their functions and roles in the process of issuing public debt. Participants will gain an understanding of terms and concepts related to debt issuance, as well as practical advice on obtaining and utilizing professional services.
- Eric Tashman, Partner, Sidley Austin Brown & Wood*
William Reynolds, Managing Director,
Gardner, Underwood & Bacon

FRIDAY

September 9, 2005

MORNING SESSION

- 8:00 AM **Complimentary Coffee and Rolls for All Participants**
- 8:30 AM **Understanding Credit - Enhancement and Ratings:** This session will provide participants with information about the purpose and process of credit enhancement and its impact on credit ratings. Further, the session will provide an understanding of the credit rating process, how credit ratings and investor needs can influence debt-structuring decisions, and the range of credit factors that rating agencies and investment analysts look at in evaluating the structure of a bond issue.
- Michael Borgani, Associate Director, Fitch Ratings*
Jason Kissane, Director, MBIA
- 9:30 AM **Initial and Continuing Disclosure:** A bond counsel discusses municipal disclosure requirements and explains the responsibilities placed on local government officials by the Securities and Exchange Commission. The speaker also provides participants with an understanding of the initial and continuing disclosure processes and considerations that confront local government officials.
- Rick Hiscocks, Partner, Orrick, Herrington and Sutcliffe*
- 10:30 AM **Break**

*Dawn Vincent, Managing Director, Stone and Youngberg
Frank Sulzberger, Vice President, BNY Trust Company*

12:30 PM **Luncheon** for all participants and speakers

AFTERNOON SESSION

1:30 PM **How to Make Sense of the Debt Issuance Process and Your Role in the Process –An Issuer’s Perspective:**

Two local issuers discuss the issuer’s role and responsibilities in the debt financing process, including an overview of some critical considerations issuers should use when deciding to issue bonds.

*Nadia Sesay, Director, City and County of San Francisco
Clarke Howatt, Public Finance Director, Association of
Bay Area Governments*

2:30 PM Break

2:45 PM **Types of Short- and Long-Term Financings:** This session considers the financing tools available to local issuers ranging from those that are more commonplace and less complicated to those that are more complex in nature. An underwriter will discuss both short- and long-term financing options, and the factors to consider when selecting one type over another. The financing options to be discussed include: tax and revenue anticipation notes (TRANs), commercial paper, general obligation bonds, revenue bonds, certificates of participation (COPs), and variable rate bonds.

Andrew Nakahata, Vice President, Goldman Sachs & Co.

4:00 PM **Break**

4:15 PM **Types of Short- and Long-Term Financings (Continued):**
This session continues the discussion on financing tools from the prior session.

5:15 PM **Reception** for all participants and speakers

10:45 AM

Fundamentals of a Bond Sale: This session is a review of the critical terms and concepts that are fundamental to an understanding of the sale of a long-term debt issue. A financial advisor and a bond counsel offers an interactive presentation of debt issuance terms and concepts such as competitive vs. negotiated sale, true interest cost vs. net interest cost, underwriters’ discount and the cost of issuance, rated vs. non-rated issues, and prepricings and pricings.

*David Brodsky, Vice President, Kelling, Northcross & Nobriga
Lisa Greer Quateman, Managing Partner, Quateman & Zidell*

12:00 PM

Evaluation and End of Seminar